

bailout, the bailout would go forward. A resolution of disapproval is the illusion of congressional control. Instead, we should follow the House approach by putting a dollar limit on this emergency financial stabilization, and we should sunset all authority under it in the year 2013.

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Just as important is the existing Section 13-3 of the Federal Reserve Act. Since 1935, the Federal Reserve has had the power, and this is enormous, to lend any amount of money to just about anybody so long as they think they have adequate security.

Now, the Fed has already used this statutory authority to lend upwards of \$2 trillion. So if we're against bailouts, we've got to ask, what limits does the Senate bill place on Section 13-3 authority? It provides only some minimal limits, requiring that that authority be used not to bail out just one company on Wall Street, but to be systemwide.

Instead, the Senate can learn from the House bill to put dollar restrictions on this authority, and to provide that the security must be so good that we have a 99 percent likelihood of repayment.

Even better yet, we ought to simply repeal Section 13-3.

Finally, "too big to fail" is too big to exist. In the House bill, we authorize the regulators to break up institutions that are too big to fail. The Senate, I believe, has basically ignored this House provision. They should not only embrace it, they should go much further. They should require the break-up of any institutions whose liabilities to American persons exceeds 1 percent of the U.S. GDP.

There is no reason that a bank has to be over \$140 billion in size. And if they are, they ought to be at least as smart as an amoeba. When an amoeba gets too big, it divides itself into two separate cells. Banks can do the same.

In conclusion, the people of this country want to give the executive branch the power to nail Wall Street firms, to require regulations of derivatives, higher capital requirements, and to liquidate them when they get themselves into trouble and pose a risk to the entire economy.

But the American people don't want to bail. So let's provide nail authority without bail authority.

\$800 BILLION IN TAX CUTS

The SPEAKER pro tempore. The Chair recognizes the gentleman from Virginia (Mr. CONNOLLY) for 5 minutes.

Mr. CONNOLLY of Virginia. Mr. Speaker, thanks to this Congress, hundreds of millions of Americans have received hundreds of billions of dollars in tax cuts, in fact, more than \$800 billion.

If that sounds like an astounding number, it is. It astounded President Reagan's Domestic Policy Advisor, Republican Bruce Bartlett, who said

"Federal taxes are very considerably lower by every measure since Obama became President."

The proof of these tax cuts is clearly evident in the latest tax refund data: The average refund in America increased by 10 percent this year, to a record \$3,000. Thanks to the tax cuts passed by this Congress, we've returned more money to American taxpayers than ever before.

The Recovery Act we passed last year was enacted to stabilize the economy. It created 25 separate tax cuts now benefiting 95 percent of all Americans. While they haven't received the same level of attention as the jobs and infrastructure we worked on in that bill, the tax cuts actually make up the largest component of that act. More than 241,000 families in my district, the 11th District of Virginia, benefited from Making Work Pay tax cuts that provided \$400 to individuals and \$800 to every family.

The Act also included a tax credit of \$250 for Social Security recipients, providing some relief to 79,000 seniors in my district, and to 1.3 million Virginia seniors throughout the Commonwealth.

We prevented 26 million Americans from being subjected to the AMT tax. We expanded the child tax credit to families of 16 million children. In total, the Recovery Act was a \$288 billion tax cut bill.

In addition to expanding health care coverage and lowering insurance premiums, the recently passed health insurance reform will provide billions of dollars in tax relief. It provides \$40 billion in tax cuts for small businesses to help them afford health insurance. Currently, only 43 percent of those companies are able to afford that coverage. Eight percent of companies that do provide insurance said that without reform they'd have to cut health insurance this year. The new law provides billions of dollars in tax credits to those small businesses, the engine of economic growth and job creation in America, so that they can provide necessary health care coverage to their employees.

Small businesses are the Nation's job creator, and represent the backbone of our economy. Congress has provided billions of dollars of tax relief to these small businesses. We expanded business deductions, increased the loss-carryback ratio, and provided greater deductions for research and development. In addition, the HIRE Act provided businesses with tax incentives to hire new employees throughout the country. A full economic recovery will depend on the expansion of the private sector, and the HIRE Act is a way of incentivizing through tax cuts those businesses to make those hires.

We also extended tax cuts for homebuyers to encourage demand and stabilize the housing market, thereby safeguarding the equity of existing homeowners. Homeowners making their residence more energy efficient

received tax cuts as well, enabling them to benefit from lower taxes along with the lower energy bills they got. Car buyers also received tax cuts through a sales tax deduction in last year's Recovery Act.

That's just a sampling, Mr. Speaker, of how the more than \$800 billion in tax cuts are benefiting the American people.

But we're not done. We've got at least another \$285 billion in proposed tax cuts. For example, the House passed a revised estate tax that will dramatically lower taxes starting next year, and we now await Senate action. In addition, the House and Senate are finalizing the American Workers, State, and Business Relief Act that would allow individuals to continue to deduct State and local taxes from their Federal taxes, preserve the standard deduction for State and local real property taxes, and expand additional business taxes cuts.

And I have introduced bipartisan legislation, I might add, to completely eliminate the antiquated telephone excise tax that was first implemented to fund the Spanish American War. This bill provides millions of dollars in tax relief, especially to our seniors.

Mr. Speaker, perhaps you're wondering why we don't hear the other side of the aisle touting these tax cuts. Maybe it's because not a single one of them voted for the 25 tax cuts provided in the Recovery Act. Not one voted for the small business tax cuts of the HIRE Act. Not one voted for the Estate Tax Relief Act.

These are real tax cuts that have put real money back in the hands of America and into the hands of working Americans and seniors, back into the hands of America's small business owners. That is the leadership of this Congress, and this leadership will continue providing strength to strengthen our families, our small businesses and our economy through additional tax relief.

WASHINGTON MUTUAL—FRIENDS OF THE FAMILY NO MORE

The SPEAKER pro tempore (Mr. CONNOLLY of Virginia). The Chair recognizes the gentleman from Washington (Mr. LARSEN) for 5 minutes.

Mr. LARSEN of Washington. Mr. Speaker, last week's Senate hearings on the failure of Washington Mutual painted a picture of a bank that sold risky mortgages to unsuspecting homeowners in order to rake in huge profits. Federal regulators turned a blind eye to these risky practices and allowed Washington Mutual to gamble with our future.

Now, when I grew up in Arlington, Washington, Washington Mutual was known as a friend of the family. But their reckless behavior at the expense of consumers helped bring about the greatest financial crisis of our time. It was the largest bank failure in U.S. history and resulted in thousands of job losses in Northwest Washington State. Friend of the family no more.